



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



NOVEMBER 27, 2001

Surface Transportation Board Issues Final Environmental Impact Statement for Dakota, Minnesota, and Eastern Railroad's Proposed Powder River Basin Rail Expansion Project: The Powder River Basin (PRB) Expansion Project proposed by Dakota, Minnesota, and Eastern Railroad (DM&E) includes 280 miles of new rail line construction and 600 miles of rail line rehabilitation. The project would enable a third railroad to serve Wyoming's PRB coal mines and increase the operational efficiency of DM&E's existing rail line in Minnesota and South Dakota. The environmental mitigation costs recommended by the Surface Transportation Board's (STB) Section of Environmental Analysis (SEA) are likely to exceed \$140 million, approximately 10 percent of the \$1.4 billion construction project. SEA identified environmentally preferred alternatives, some of which include:

- A modified route through South Dakota that avoids environmentally sensitive areas along the Cheyenne River;
- The route through the City of Rochester, with extensive mitigation, which includes two separated-grade crossings and noise mitigation;
- Rehabilitation of the existing line through Brookings, SD, with recommended mitigation;
- Upgrading DM&E's existing line through Pierre and Fort Pierre, SD, with extensive mitigation; and
- Rehabilitation of DM&E's existing rail bridge across the Missouri River at Pierre, SD.

STB members cannot make a decision on the DM&E project until 30 days after the Environmental Protection Agency publishes a Notice of Availability of the Final Environmental Impact Statement (anticipated to be published on November 30). STB members will then decide whether to approve, approve with conditions, or disapprove the proposed expansion project. (USDA, Marketing and Transportation Analysis, Marvin Prater, Marvin.Prater@usda.gov, 11/19/01)

More Iowa Farmers Using Semitrailers for Grain Transportation. A survey conducted by C. Phillip Baumel, an economist from Iowa State University, shows that more Iowa farmers are using semitrailer trucks to haul their crops to market this year than in previous years. Last year, semitrailers hauled 48 percent of Iowa's corn and 45 percent of its soybeans to market. Five years ago, 37 percent of Iowa's corn and 31 percent of its soybeans were hauled in semitrailer trucks. Baumel projects that by 2005 as much as 60 percent of Iowa's corn and soybeans will move from farms in semitrailers.

Replacing small trucks with semitrailers has several inferences: grain farmers with long-haul capacity can reach alternative markets, farmers can avoid local elevators and haul grain directly to processors, semitrailers generate competition for railroads, and additional maintenance may be needed on State roads. Although country elevators continue to play an important role in the market for producer-delivered grain, more corn and soybeans are being transported directly from farmers to processors. (Des Moines Register, 11/18/01)

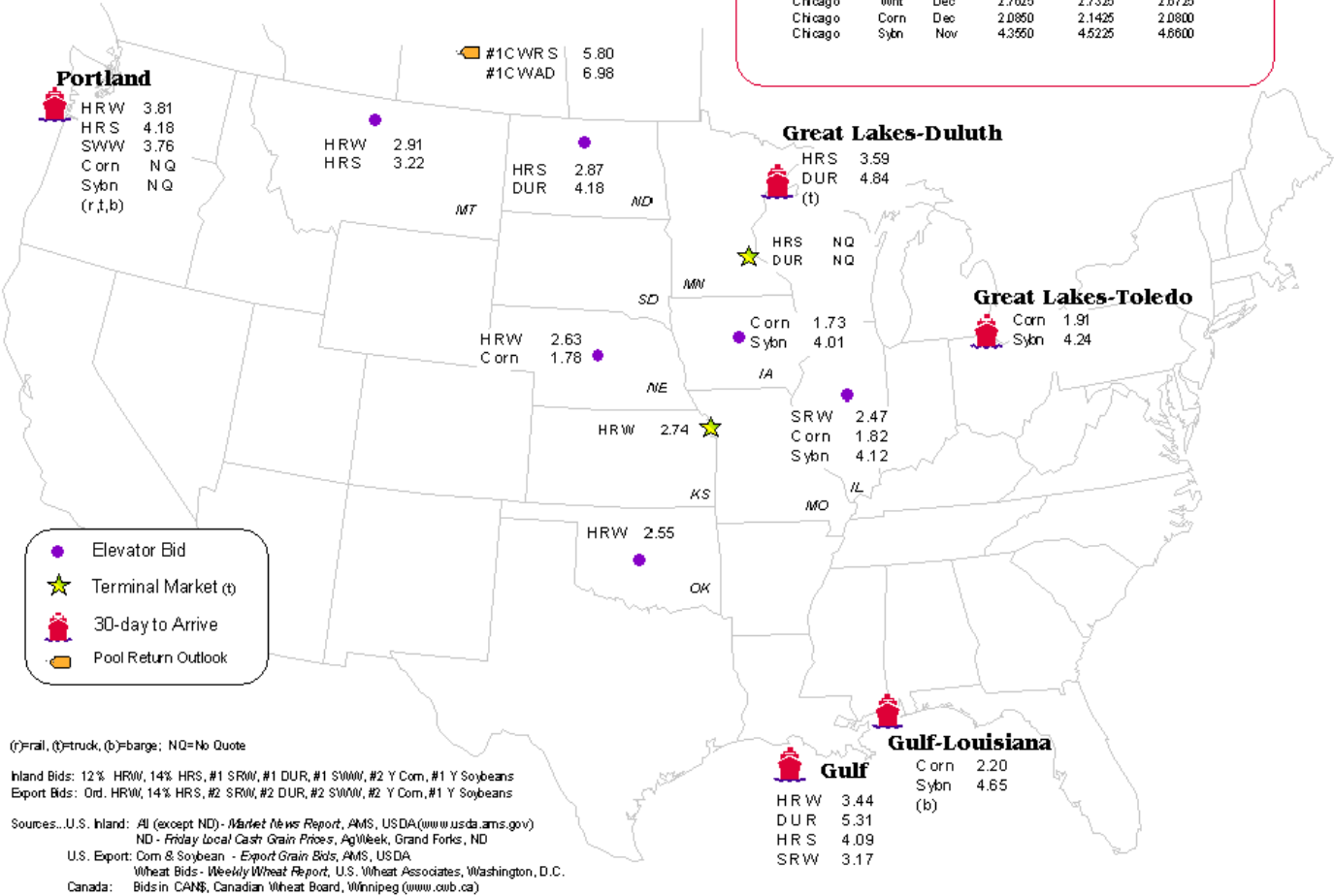
Culebra Cut Widening To Increase Capacity of the Panama Canal. The Panama Canal's Culebra Cut Widening Project has been completed a year ahead of schedule. The widening of the Culebra Cut will increase the Panama Canal's operating capacity by 20 percent; it will enable the simultaneous transit of two Panamax-type vessels through the waterway. The project widens the narrowest passage of the Panama Canal from 152 meters to 192 meters along straight stretches. During the canal's construction, the Culebra Cut required the greatest volume of excavation, and it has been the site of the largest landslides throughout the canal's history.

The project was originally scheduled for completion in 2012; however, because of increasing traffic demands, the completion date was moved up to the end of 2002. The cost of the widening project, part of the canal's \$1 billion modernization and improvement program, was \$300 million, about half of the initial estimate. (For more information, visit the Panama Canal's Web site at <http://www.pancanal.com/eng/index.html>, 11/7/01)

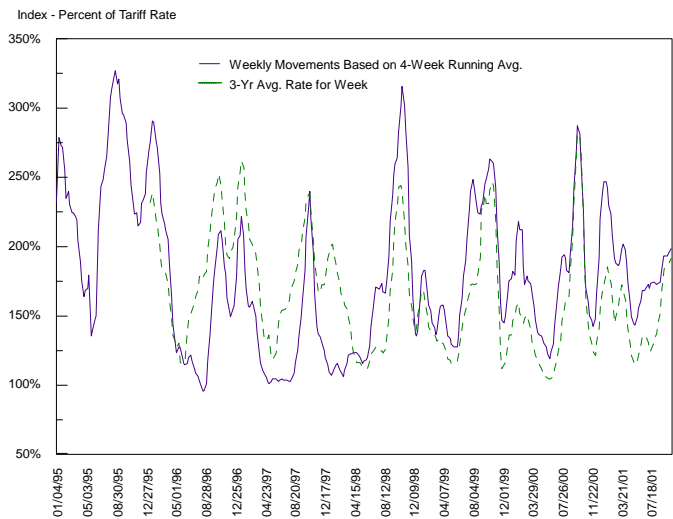
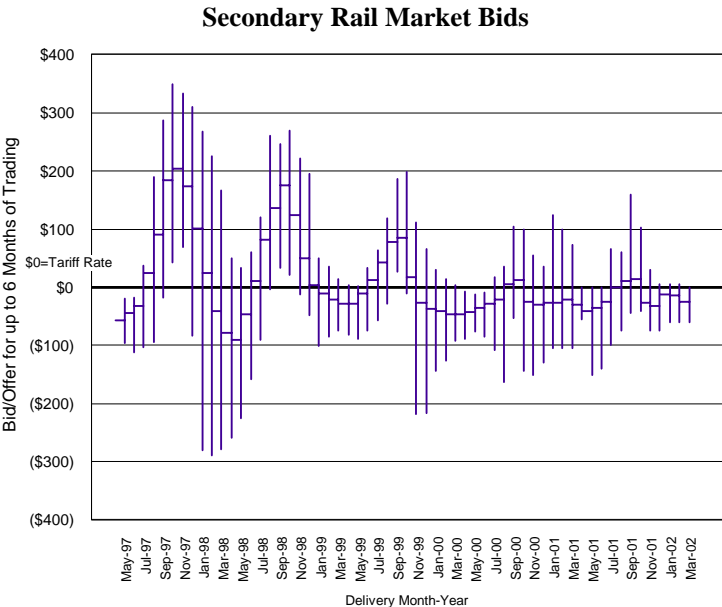
Report is prepared by Karl Hacker and Sigal Nissan, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments to Karl.Hacker@usda.gov.

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Grain Bid Summary



Spot Barge Rate - Illinois River



Rail Car 'Auction' Offerings

Delivery for:	Jan-02		Feb-02	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	13,454	2%	11,512	1%
UP-GCAS	5,400	0%	5,400	0%

Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Dec-01	Jan-02	Feb-02	Mar-02
BNSF-GF	\$(19)	\$(16)	\$(17)	\$(17)
UP-Pool	\$(8)	\$(27)	\$(29)	\$(29)

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Jan-02	Feb-02	Mar-02
COT/N. Grain	no bid	no bid	no bid
COT/S. Grain	no bid	no bid	no bid
GCAS/Region 2	no bid	no bid	no bid
GCAS/Region 4	no bid	no bid	no bid

Source: T&M/AMS USDA. Data from www.bnsf.com, www.uprr.com, (COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Southbound Barge Freight Nominal/Cash Basis Values

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
11/26/01	St. Louis	Dec	128	126
		Feb	128	130
		Apr	139	130
		Jun	0	130
		Aug	0	0
	Illinois River	Dec	173	160
		Feb	180	183
		Apr	0	163
		Jun	0	163
		Aug	0	0

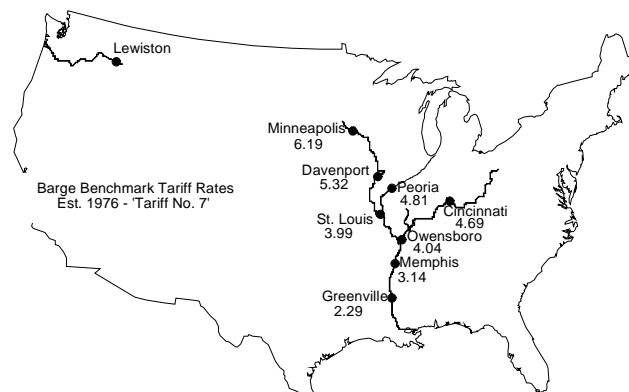
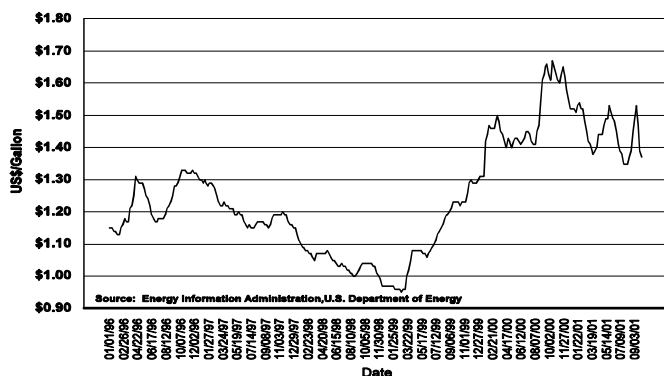
Source: St. Louis Merchants Exchange

Southbound Barge Freight Spot Rates

	11/21/01	11/14/01	Dec '01	Feb '02
Twin Cities	200	186	0	0
Mid-Mississippi	168	196	0	0
Illinois River	153	136	163	178
St. Louis	123	135	128	128
Lower Ohio	135	169	135	135
Cairo-Memphis	118	128	122	121

Source: Transportation & Marketing /AMS/USDA

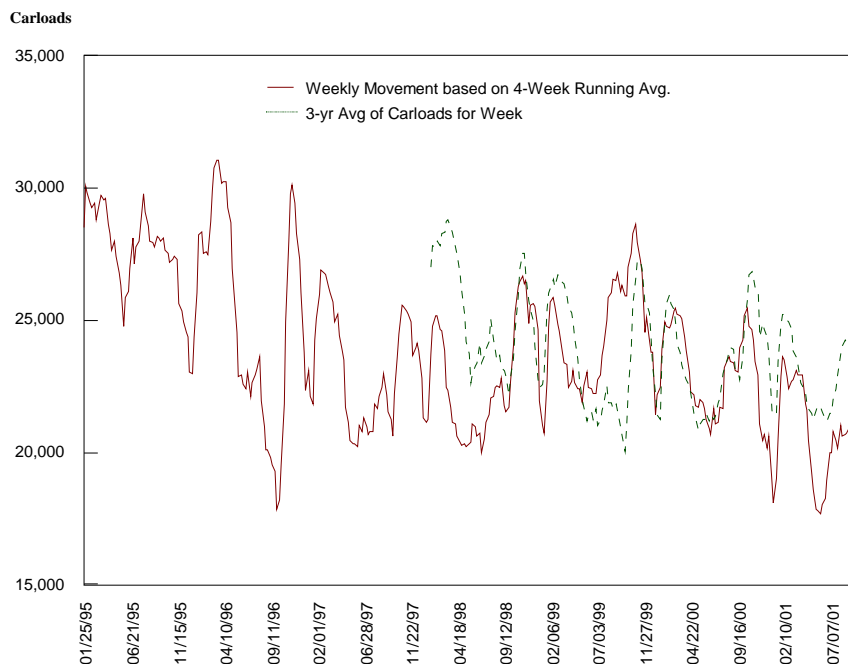
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Weekly Retail Diesel (Road) Prices (Including Taxes)

Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
11/3/01	26,917
11/10/01	25,567
11/17/01	26,240
Year to Date - 2001	995,478
Year to Date - 2000	1,074,181
Total 2000	1,188,917
Total 1999	1,270,375

Source: Association of American Railroads



Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated

	East		West					Canada	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
11/17/01	0	4,009	0	4,306	10,771	629	6,525	5,144	4,735
This Week Last Year	0	3,710	0	3,357	7,947	302	6,279	4,272	4,271
2001 YTD	0	135,961	0	145,037	382,336	22,762	309,382	225,717	207,591
2000 YTD	0	131,493	70,155	137,879	379,096	24,368	331,190	135,518	214,200
2000 Total	0	147,708	70,155	153,905	425,849	26,515	364,785	160,749	239,670
1999 Total	15,522	132,157	88,056	138,379	465,088	33,911	398,262	121,381	206,328

Source: Association of American Railroads

Tariff Rail Rates for Unit Train Shipments

November 2001

Date	Tariff				Rate	Rate Per	Rate/Per
Effective	Item	Commodity	Origin	Destination	Per Car	MT	Bushel*
11/05/01	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
11/05/01	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
11/05/01	46540	Wheat	Kansas City, MO	Houston, TX	\$1,650	\$18.19	\$0.50
11/05/01	43586	Wheat	Kansas City, MO	Portland, OR	\$4,240	\$46.74	\$1.27
11/05/01	43581	Wheat	Omaha, NE	Portland, OR	\$3,905	\$43.04	\$1.17
11/05/01	31040	Corn	Minneapolis, MN	Portland, OR	\$2,900	\$31.97	\$0.81
11/05/01	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
11/05/01	31040	Corn	Omaha, NE	Portland, OR	\$2,700	\$29.76	\$0.76
11/05/01	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,730	\$30.09	\$0.82
11/05/01	61180	Soybean	Omaha, NE	Portland, OR	\$2,480	\$27.34	\$0.74
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

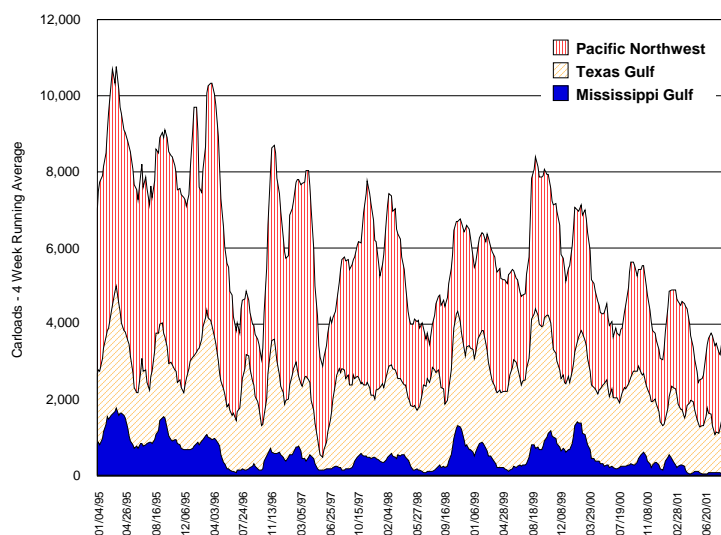
Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port**Carloads**

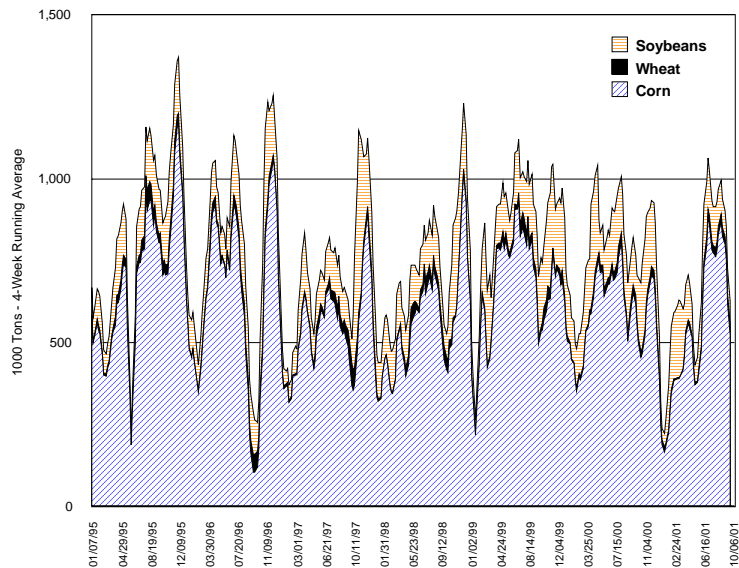
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
10/17/01	591*	1,513	2,808	696
10/24/01	669*	1,368	3,157	1,000
10/31/01	511*	2,228	3,663	1,242
11/07/01	120*	1,634	3,336	533
11/14/01	206*	2,290	1,954	313
11/21/01	202*	2,246*	2,377	949
YTD 2001	9,388*	72,424*	102,236	23,728
YTD 2000	24,382	97,018	120,282	13,643
Total 2000	25,675	105,308	129,464	14,816
Total 1999	30,038	132,069	161,492	14,446

Source: Transportation & Marketing/AMS/USDA

Rail Deliveries to Port

(*) Incomplete Data

(**) Revised Data

Barge Movements - Locks 27**Barge Grain Movements**

for week ending 11/17/01

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	315	6	21	342
Winfield, MO (L25)	464	6	122	593
Alton, IL (L26)	604	18	137	761
Granite City, IL (L27)	570	15	150	736
Illinois River (L8)	141	12	13	168
Ohio (L52)	46	9	15	97
Arkansas (L1)	0	23	17	40
2001 YTD	27,653	2,432	8,342	40,159
2000 YTD	29,849	2,239	9,102	42,783
Total 2000	33,482	2,518	10,327	48,247
Total 1999	36,711	2,883	9,771	51,887

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers

U.S. Export Balances (1,000 Metric Tons)

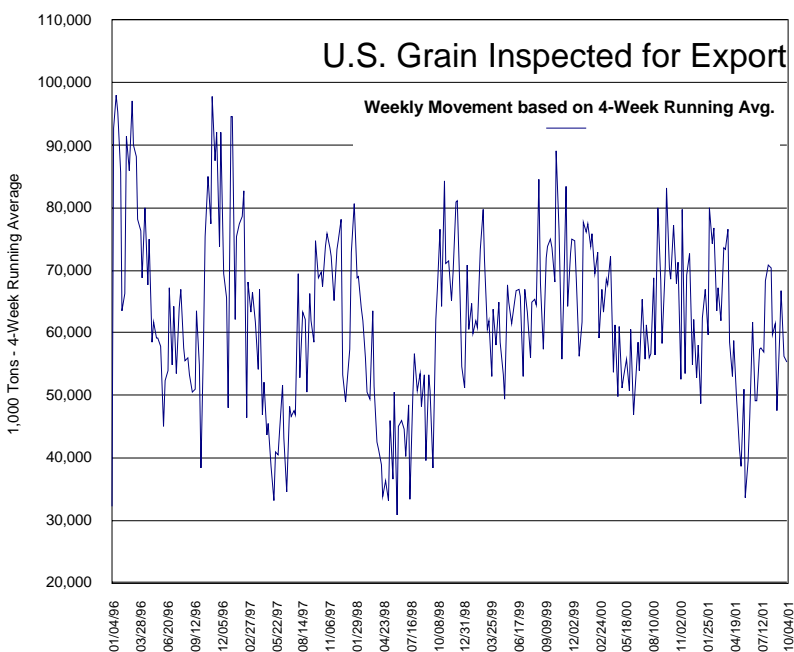
	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	Wheat <i>SWW</i>	<i>DUR</i>	<i>All</i>	Corn	Soybean	Total
<u>Unshipped Exports-Crop Year</u>									
11/15/01	1,377	766	1,096	563	236	4,037	6,824	8,924	19,785
This Week Year Ago	1,191	426	977	757	335	3,686	6,366	5,228	15,280
<u>Cumulative Exports-Crop Year</u>									
00/01 YTD	3,727	2,767	2,490	1,546	612	11,141	9,264	6,744	27,149
99/00 YTD	4,723	2,360	2,522	2,423	550	12,576	10,563	17,713	40,852
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
11/22/01	152	54	213	89	738	684	217	0	8
2001 YTD	8,675	4,774	2,593	5,659	31,529	14,272	5,222	257	1,391
2000 YTD	8,865	5,647	1,571	6,101	31,848	15,690	6,467	419	962
% of Last Year	87%	79%	152%	84%	89%	79%	75%	55%	138%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

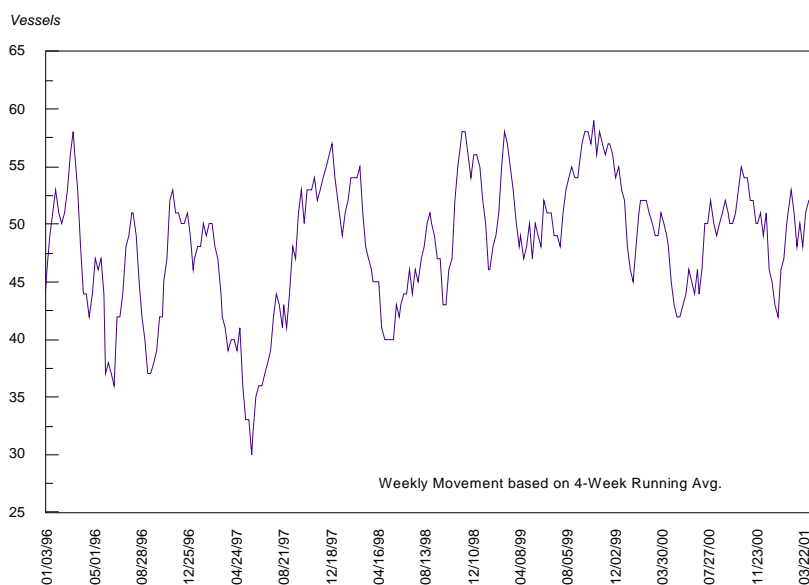
Source: Federal Grain Inspection Service YTD-Year-to-Date

**Select Canadian Ports - Export Inspections**

1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 11/15/01			
Vancouver	2,149	126	136
Prince Rupert	67	0	0
Prairie Direct	295	105	87
Thunder Bay	172	76	0
St. Lawrence	1,014	445	4
2001 YTD Exports	3,697	752	227
2000 YTD Exports	3,874	936	332
% of Last Year	95%	80%	68%

Source: Canadian Grains Commission, Crop year 8/1-7/31



**Gulf Region
Vessels Loaded
- Past 7 Days-**

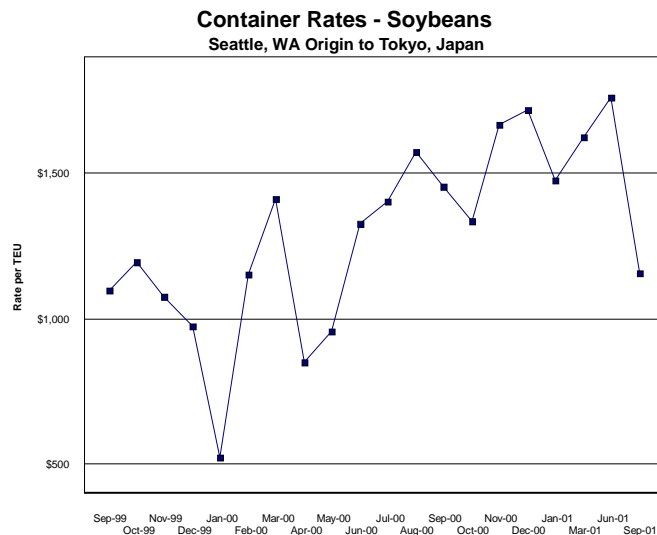
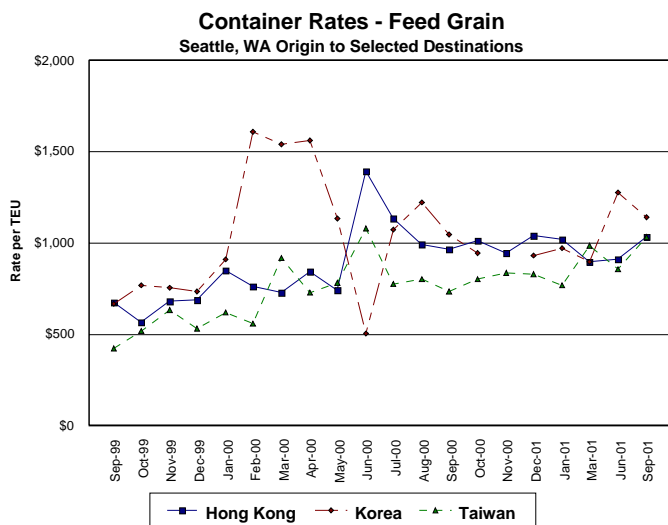
Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest			Vancouver, B.C.		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
11/15/01	33	55	73				17	14	2
11/22/01	40	48	64				12	9	2
1999 Range	(14..47)	(39..65)	(34..80)	(6..18)			(2..20)	(2..15)	(0..9)
1998 Range	(19..62)	(34..64)	(40..93)				(1..19)	(3..14)	(0..10)
1999 Avg	32	52	65				9	9	3
1998 Avg	40	48	61				10	9	3
1997 Avg	33	45	58						

Source: Transportation & Marketing /AMS/ USDA

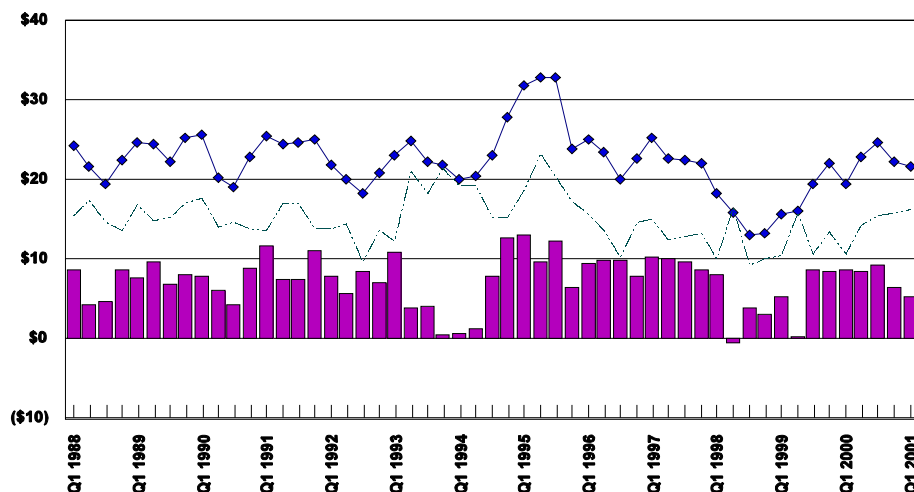
Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share



◆ Rate - Gulf to Japan
 --- Rate - PNW to Japan
 ■ Spread - Gulf vs. PNW to Japan

US\$/Metric Ton



Quarterly Ocean
 Freight Rates

Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	2001 3 rd Qtr	2000 3 rd Qtr	% Change		2001 3 rd Qtr	2000 3 rd Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$29.40	\$36.42	-19%	Japan	\$10.46	\$15.43	-32%
Mexico		\$16.11	-	Red Sea/ Arabian Sea		\$29.03	
Venezuela	\$13.45	\$15.13	-11%				
N. Europe	\$12.06	\$18.07	-33%	Argentina to			
N. Africa	\$18.21	\$34.19	-47%	Mediterranean Sea		\$20.57	
Mediterranean Sea	\$12.05	\$16.59	-27%	N. Europe	\$16.22	\$18.62	-13%
Red Sea/Arabian	\$15.26			Japan	\$29.40	\$36.42	-19%

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

Ocean Freight Rates (Select Locations) - week ending 11/24/01

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Pt. Cartier	W. Italy	Wheat	Prompt	42,000	\$12.25
Gulf	Ireland	Grains	Nov 20/30	20,000	\$14.50
Galveston	Egypt	Heavy Grain	Nov 25/30	60,000	\$10.25
Gulf	Taiwan	Heavy Grain	Dec 6/14	54,000	\$16.00
Gulf	Taiwan	Heavy Grain	Dec 28/Jan 11	56,000	\$15.05
Gulf	Japan	Heavy Grain	Jan-Mar	54,000	\$16.75
Gulf	N. China	Heavy Grain	Nov 27/Dec 5	55,000	\$16.25
Paranagua	Japan	Heavy Grain	Nov 24/Dec 6	54,000	\$17.00
River Plate	Poland	Grains	Nov 19/20	25,000	\$17.75
River Plate	Mombasa	Wheat	Dec 1/10	27,000	\$16.50

Source: Maritime Research Inc.; rates shown are for long ton (2,240 lbs.=one long ton), F.O.B., except where otherwise indicated; op=option